



Securities

Baldwin County, Alabama

Request for Statement of Qualifications: Underwriter

November 22, 2019



JACKSON

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Jackson, MS 39201
Tel: (601) 503-1053

**Securities**

November 22, 2019

Mr. Ronald Cink
Budget Director
Baldwin County Commission
322 Courthouse Square
Bay Minette, AL 36507

Dear Mr. Cink:

On behalf of Wells Fargo Securities ("Wells Fargo", the "Firm", or "WFS"), we are pleased to submit our response to Baldwin County, Alabama's (the "County") solicitation for underwriting qualifications. We are confident that our banking team's experience working with Alabama issuers, our Firm's commitment to the County and the community it serves, our experience as senior manager on comparable financings, our quantitative expertise, our superior financial and capital position, our innovative financing strategies, and our expansive, yet balanced, institutional and Alabama retail distribution capabilities, make Wells Fargo the most qualified firm to help the County meet its financing objectives. Below are several attributes of our Firm which qualify us to serve as your Senior Manager:

- **Commitment to the State of Alabama.** Wells Fargo has extensive municipal bond sales capabilities, with the ability to access both the Alabama retail and institutional investor communities. In Alabama, we have 89 financial advisors in 11 offices across the State. In total, Wells Fargo employs over 3,000 team members in Alabama. Further, we pride ourselves on being excellent corporate citizens and support our communities. In 2018, Wells Fargo and its employees contributed more than \$3.4 million to charitable causes in Alabama and volunteered over 18,000 hours to community organizations in the State. Wells Fargo & Company is not merely a Wall Street firm looking for investment banking business in Alabama; we are a member of the community and have a vested interest in the success of the State and its issuers.
- **Demonstrated Ability to Commit Capital.** While a number of firms have a large capital base, it is more important that such firms evidence their ability to deploy capital in the municipal market on behalf of their clients. As described within our response in more detail, our Firm has demonstrated its ability to commit capital in support of our municipal clients by directly underwriting unsold balances on negotiated primary market issues. Wells Fargo & Company is a premier U.S. domiciled bank with some of the highest credit ratings of all U.S. banks (Aa1/A+/AA-) from Moody's, S&P, and Fitch, respectively), more than 250,000 employees nationwide, the largest community banking presence in the country, the third largest U.S. bank by assets, and the third largest domestic retail distribution network. With \$159.1 billion¹ of total

¹ Wells Fargo Bank N.A. Q2 Call Report

risk-based capital, the Firm brings significant underwriting strength and a stable capital commitment ability to the County.

- **Powerful Institutional and Retail Distribution Networks.** Wells Fargo provides a strong national distribution network with a balanced platform. Our institutional sales force consists of our 15-member Tier-1 municipal sales group that covers over 250 key national buyers with assets over \$1 billion. In addition, Wells Fargo, through its affiliate Wells Fargo Securities, LLC, has 200 middle-market sales professionals in 17 regional offices that cover more than 10,000 Tier-2 and Tier-3 investors. Our institutional sales strength is augmented by our national retail system through Wells Fargo Advisors (“WFA”), which employs 8,065 full-service financial advisors with approximately \$1.5 trillion of client assets. Through this balanced distribution approach, Wells Fargo has wide access to many sectors of the market to distribute our clients’ bond offerings, and the Firm is able to generate broader demand and more aggressive pricing for the County’s issues than firms with just a single investor segment focus.

Please let us know if you would like any additional information about our response. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Perry". The signature is fluid and cursive, with a large, stylized "P" and "Y".

Jim Perry
Managing Director
Tel: (601) 503-1053
jim.perry@wellsfargo.com

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IMPORTANT INFORMATION & DISCLAIMER

This document and any other materials accompanying this document (collectively, the “Materials”) are provided for general informational purposes only. By accepting any Materials, the recipient acknowledges and agrees to the matters set forth below.

Wells Fargo Securities (“WFS”) is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company (“WFC”) and its subsidiaries, including Wells Fargo Bank, N.A., acting through its Municipal Products Group. Municipal derivatives services are provided by Wells Fargo Bank, N.A., a swap dealer registered with the CFTC and member of the NFA. Commercial banking products and services are provided by Wells Fargo Bank, N.A. Investment banking and capital markets products and services provided by Wells Fargo Securities, are not a condition to any banking product or service.

Wells Fargo Bank, N.A. (“WFBNA”), as potential derivatives provider, and Wells Fargo Securities, as potential underwriter or placement agent, (collectively, for purposes hereof, “we”, or “Wells Fargo”) are providing the information contained in the Materials for discussion purposes only in anticipation of, or in connection with, engaging in arm’s length commercial transactions with you in which Wells Fargo would be acting solely as a principal or agent, as applicable, and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether we, or an affiliate has or is currently acting as such on a separate transaction (the use of the term “agent” does not imply any fiduciary relationship).

These Materials are being provided to you for the purpose of working with you as an underwriter or placement agent (collectively, “underwriter”) and/or derivatives provider on the transaction(s) described in the Materials. As part of its services as underwriter, WFS may provide information concerning the structure, timing, terms, and other similar matters concerning the issue of municipal securities that WFS proposes to underwrite as described in the Materials. The Materials may also contain such information. Any such information has been, and would be, provided by WFS in the context of serving as an underwriter and not as your municipal or financial advisor. Additionally, WFBNA, as derivatives provider, and WFS, as underwriter, have financial and other interests that differ from your interests (or those of the issuer). In its capacity as underwriter, WFS’ primary role would be to purchase securities from you (or the issuer in the case of a conduit transaction) for resale to investors, or arrange for the placement of securities with investors on your behalf. Wells Fargo will not have any duties or liability to any person or entity in connection with the information being provided in the Materials.

The information provided herein is not intended to be and should not be construed as advice within the meaning of Section 15B of the Securities Exchange Act of 1934, and Wells Fargo will not be acting as your municipal advisor under the municipal advisor rules (“Muni Advisor Rules”) of the Securities and Exchange Commission (“SEC”) and the SEC’s guidance in its Registration of Municipal Advisors Frequently Asked Questions dated May 19, 2014, as supplemented (collectively, “Muni Advisor Rules”).

Please be advised that any information in the Materials regarding municipal derivatives is being provided by WFBNA as a swap dealer and that any swap offered or recommended in the Materials is being offered or recommended by WFBNA as a swap dealer. No part of the Materials is intended to be and should not be construed as an offer or recommendation of a municipal derivatives service or product by WFS, as underwriter, for purposes of Municipal Securities Rulemaking Board Rule G-17, or otherwise. You should consult with your own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent you deem appropriate. If you would like a municipal advisor that has legal fiduciary duties to you, you are certainly free to engage a municipal advisor to serve in that capacity.

Transactions referenced in the Materials which are attributed to Wells Fargo or to WFS may include transactions executed by a Wachovia Corporation or Wells Fargo & Company broker-dealer affiliate or by other municipal securities dealers and/or broker-dealers which were acquired by Wachovia Corporation or WFC.

WFS distributes municipal securities to institutional investors primarily through Wells Fargo Bank, N.A. Municipal Products Group (“WFBNA MPG”) and Wells Fargo Securities, LLC (“WFSLLC”). Distribution to middle market clients is provided primarily through WFSLLC. Retail distribution is primarily provided by Wells Fargo Advisors, which is the trade name used by Wells Fargo Clearing Services, LLC (“WFCS”) and Wells Fargo Advisors Financial Network, LLC (“WFAFN”), two non-bank separate registered broker-dealers (members FINRA and SIPC). WFSLLC, WFBNA MPG, WFCS, and WFAFN are affiliates and are each wholly owned subsidiaries of WFC.

Any municipal underwriting, commercial paper and remarketing rankings referenced herein represent combined totals for WFBNA MPG and WFSLLC. Non-municipal underwriting, commercial paper and remarketing rankings referenced herein represent totals for WFSLLC only. Source information for any ranking information not otherwise provided herein is available on request. Any rankings referencing competitive municipal

new issues for time periods prior to 2011 include issues underwritten by WFCS. Underwriting activities of WFCS are not managed or otherwise controlled by WFBNA MPG or WFSLLC.

If the Materials are being provided to you under any of the following events, the information contained in the Materials and any subsequent discussions between us, including any and all information, advice, recommendations, opinions, indicative pricing, quotations and analysis with respect to any municipal financial product or issuance of municipal securities, are provided to you in reliance upon the Swap Dealer, Bank, RFP, IRMA exemptions and underwriter exclusion, as applicable, provided under the Muni Advisor Rules. In the event the Swap Dealer, Bank, RFP, IRMA exemptions, or underwriter exclusion do not apply, the information included in the Materials are provided in reliance on the general information exclusion to advice under the Muni Advisor Rules.

In the event that you have provided us with your written representation in form and substance acceptable to WFBNA that you are represented by a “qualified independent representative” as defined in the Commodity Exchange Act (“CEA”) with respect to any municipal derivative or trading strategy involving municipal derivatives described in the Materials, we have provided you with our written disclosure that we are not acting as an advisor to you with respect to the municipal derivative or trading strategy pursuant to Section 4s(h)(4) of the CEA and the rules and regulations thereunder, and have taken certain other steps to establish the “Swap Dealer exemption” under the Muni Advisor Rules.

Any information related to a bank-purchased bond transaction (“Direct Purchase”) included in the Materials is a product offering of WFBNA or a subsidiary thereof (“Purchaser”) as purchaser / investor. WFS will not participate in any manner in any Direct Purchase transaction between you and Purchaser, and Wells Fargo employees involved with a Direct Purchase transaction are not acting on behalf of or as representatives of WFS. The information contained herein regarding Purchaser’s Direct Purchase is being provided to you by WFS only for purposes of providing financing alternatives that may be available to you from WFC and its affiliates. Information contained in this document regarding Direct Purchase is for discussion purposes only in anticipation of engaging in arm’s length commercial transactions with you in which Purchaser would be acting solely as a principal to purchase securities from you or a conduit issuer, and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether Purchaser, or an affiliate has or is currently acting as such on a separate transaction. Additionally, Purchaser has financial and other interests that differ from your interests. Purchaser’s sole role would be to purchase securities from you (or the conduit issuer). Any information relating to a Direct Purchase is being provided to you pursuant to and in reliance on the “Bank exemption” under the Muni Advisor Rules and the general information exclusion to advice under the Muni Advisor Rules.

In the event the Materials are being provided in connection with a RFP, the SEC exempts from the definition of municipal advisor “any person providing a response in writing or orally to a request for proposals or qualifications from a municipal entity or obligated person for services in connection with a municipal financial product or the issuance of municipal securities; provided however, that such person does not receive separate direct or indirect compensation for advice provided as part of such response” (“RFP exemption”). In such event, we have relied upon the RFP exemption, and on your distribution and execution of this RFP through a competitive process. In the event WFBNA MPG is the party providing the Materials responses to all questions, certifications, attestations, information requests, and similar in the RFP or RFQ to which this response relates are specifically limited to, in context of, and as applied to, WFBNA MPG in its capacity as a separately identifiable department of a national bank that is registered as a municipal securities dealer with the Securities and Exchange Commission, Office of the Comptroller of the Currency, and Municipal Securities Rulemaking Board; and not on behalf of Wells Fargo Bank, N.A., unless specified otherwise in our response.

In the event that you have provided us with your written representation that you are represented by an independent registered municipal advisor (an “IRMA”) within the meaning of the Muni Advisor Rules, with respect to the transaction(s) described in the Materials we have provided you with our written disclosure that we are not a municipal advisor to you and are not subject to the fiduciary duty under the Muni Advisor Rules, if applicable, and have taken certain other steps to establish the “IRMA exemption” under the Muni Advisor Rules.

In the event that you have engaged us to serve as an underwriter with respect to the municipal securities issuance described in the Materials we have provided you with our written disclosure regarding our role as an underwriter, that we are not a municipal advisor to you and are not subject to the fiduciary duty under the Muni Advisor Rules, if applicable.

If savings threshold level information is contained herein, please be advised that WFS is not recommending nor providing advice regarding which maturities should be refunded by you.

The Materials are provided for general information about the transactions described herein. The Materials do not constitute an offer to sell or a solicitation of an offer to buy, or a recommendation or commitment for any transaction involving the securities or financial products named or described herein, and are not intended as investment advice or as a confirmation of any transaction. Assumptions stated herein may or may not be valid. Externally sourced information contained in the Materials has been obtained or derived from sources we reasonably believe to be reliable, but Wells Fargo Securities and WFBNA make no representation or warranty, express or implied, with respect thereto, and do not represent or guarantee that such information is accurate or complete. Wells Fargo Securities and WFBNA do not assume or accept any liability for any loss which may result from reliance thereon. Wells Fargo Securities and/or one or more of its affiliates may provide advice or may from time to time have proprietary positions in, or trade as principal in, any securities or other financial products that may be mentioned in the Materials, or in derivatives related thereto.

Terms, rates, prices and structure in the Materials are indicative only, and should not be relied upon as the terms, rates, prices or structure on which we or anyone else would be willing to enter into, terminate or transfer any transaction with you, including without limit, the swap, bond or loan, letter of credit and/or remarketing agreement (if applicable), or relied upon for any other purpose. Actual rates and prices may be higher or lower depending on market conditions at the time of execution, and are subject to market conditions at deal time, final credit approval, agreement on deal terms and compliance to our satisfaction with all applicable legal and regulatory requirements, including without limit, onboarding, swap/securities trading relationship and transaction documentation. Any historical information provided in the Materials is for information only, and past performance may not be relied upon as a guarantee of future results. Examples in the Materials are hypothetical only and are not a prediction of future results. There are frequently sharp differences between projections or forecasts and the actual results achieved.

Arm’s Length Relationship

All transactions described in the Materials are arm’s length transactions to be negotiated by each party acting in its own best interests. The price and other terms of any transaction will be individually negotiated, and there is no assurance that they will represent the best price or terms available to you from us or other sources. Whether they are executable, indicative or illustrative, you should assume that any price we offer,

quote or otherwise provide to you for entering into, transferring or terminating a transaction with WFBNA is strictly a WFBNA price and should not be considered a “market price” offered by anyone else in the relevant market. In this regard, please note that when we offer you an executable price for a swap with WFBNA, CFTC Rule §23.431 requires that we also disclose to you the “mid-market mark” of the swap in order for you to assess the material incentives and conflicts of interest we may have in connection with the swap. Information about the mid-market mark and other material disclosures regarding swaps can be found at www.wellsfargo.com/swapdisclosures. The decision whether you should enter into any transaction upon mutually agreed terms rests solely with you. Before entering into any transaction described in the Materials, you should consider whether it is appropriate for you in light of your objectives, experience, financial and operational resources, legal capacity and authority, and other relevant circumstances, and you should conduct a thorough and independent evaluation of the financial, tax, accounting, legal and regulatory characteristics, consequences, costs and risks of the transaction in light of your particular circumstances, based upon the advice of your own financial, legal, tax, accounting, and other professional advisors. Neither we nor any of our affiliates will be providing any such advice in connection with any such transaction, and neither we nor they will be acting as your agent, broker, financial advisor, municipal advisor, or fiduciary in connection with any such transaction, whether or not we or they may otherwise be engaged to act in such capacity in connection with other products or services.

LIBOR Discontinuation Risk

On July 27, 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates the London Interbank Offered Rate (“LIBOR”), announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. It is impossible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. While global regulators and financial services industry market participants, including the Alternative Reference Rates Committee in the United States, have been working on developing alternative reference rates (“ARR”) for LIBOR and other interbank offered rates, there is no guarantee that ARR will be developed or widely used by market participants by the end of 2021, that any ARRs developed will be suitable for each transaction as a substitute or successor for LIBOR, that the composition or characteristics of ARRs will be similar to those of LIBOR, or that ARRs will be the economic equivalent of the rate used in your LIBOR-based swap or financing transactions. Therefore, if LIBOR is discontinued during the term of your swap, your payments would be calculated differently and could be higher or more volatile than expected. These risks and others are discussed in greater detail at the IBOR Alternative Reference Rates disclosure at: www.wellsfargo.com/swapdisclosures.

Risks to Consider

While certain transactions described in the Materials may be used for hedging purposes to reduce or eliminate certain risks associated with your assets or liabilities, the effectiveness of hedging may depend upon holding these transactions to maturity and not reducing or disposing of all or any portion of the asset or liability during the term of the hedge. If a swap transaction is terminated early, or if you reduce or dispose of all or a portion of the underlying asset or liability before the transaction matures (such as prepaying a floating rate loan you hedge with a swap), then depending on the nature of the transaction, its characteristics and your position in it (e.g., buyer, seller, counterparty, etc.), you may incur a substantial loss or you may receive little or no hedging benefit from any upfront or periodic payments or exchanges or any other costs incurred in purchasing, selling, acquiring, maintaining or disposing of the transaction. You may also incur a substantial loss if you enter into a swap transaction in anticipation of hedging an asset or liability that does not materialize. You should understand that significant potential amounts could become payable by you for modifying a swap transaction, terminating it early or transferring your position in the transaction to another person or entity, or in connection with the exercise of any option or other rights under the transaction or governing documents, depending upon then existing market conditions. You should also consider that prepaying your loan or disposing of an asset or other liability does not relieve you of your obligations under a swap transaction, which may be terminated early only in accordance with the terms of the swap trading relationship documentation (such as an ISDA Master Agreement) or other transaction documents, or otherwise by mutual agreement. Such termination may require payment by you of an early termination amount, which amount may be substantial. Whether you use a swap transaction for hedging or another purpose, you should satisfy yourself that you understand these and other risks relative to the benefits you are seeking to achieve and that the transaction and risks are suitable for you. These risks are discussed in greater detail in disclosures provided to you through the following website: www.wellsfargo.com/swapdisclosures

Independent Obligation

To the extent any swap transaction described in the Materials may be used to hedge against increases in the interest expense of a loan or other financing, the swap transaction would be a separate and independent obligation and would not be contingent on whether or not any loan or other financing closes, is outstanding, or is repaid, in whole or in part, at any time, subject to any contractual requirement to terminate and settle the transaction early upon prepayment of the loan or financing or for other financing-related events. In addition, if you provide any existing or future collateral or other credit support to secure the transaction and any loan or other financing, then you would be entitled to the release of such collateral or credit support only if certain conditions contained in the related collateral agreement or credit support document are completely satisfied for both the transaction and any such loan or financing, or we otherwise reach agreement with you on alternative collateral, credit support or other arrangements.

Unmatched Terms & Conventions

If the principal amount or duration of a loan or financing differs from that of a transaction used to hedge such loan or financing, you may be exposed to risk of loss from such over-hedging or under-hedging. If any other economic terms or characteristics of a loan or financing differ from those of the related hedge, then in addition to any losses that you could incur from such differences, the hedge may create unanticipated accounting exposure or tax liability for you. To the extent fair value accounting applies to the hedge, you may have to reflect unrealized gains and losses (i.e., the so-called “mark-to-market” value of the hedge) over the life of the hedge on your balance sheet and/or income statement. If hedge accounting applies, any ineffectiveness in the hedge resulting from such differences may likewise need to be taken into account and reflected in your financial results. These swap valuation considerations may also be important to you for tax purposes, including any tax laws that may require unrealized gains or losses on swaps to be taken into account in determining your income tax liability.

Conventions used in the loan or other financing and swap markets may differ, and we are under no obligation to ensure that any swap we offer is a perfect hedge for your financing even if we provide you with both products. For example, if the method for determining a loan’s floating rate differs from that for a swap’s floating rate, the loan floating rate payments could diverge from those of the swap. Such divergence may occur by convention or as the result of contractual differences, such as in the definition of or the reset timing (e.g., 1-month or 3-month) for

the London Interbank Offered Rate (LIBOR), the dates or times at which LIBOR is set, the number of days in the payment periods, any applicable fallback floating rate, or the floating rate rounding convention.

Negative Interest Rates

Express wording in swap transactions is required to place a 0% floor on LIBOR or other floating benchmark rate of the swap transaction, and no such 0% floor is included in an interest rate swap or other swap transaction unless mutually agreed between the parties as reflected in the swap confirmation. Absent such floor, if a Floating Amount is negative under an interest rate swap, the Floating Rate Payer does not make such payment. Instead, the Fixed Rate Payer pays the absolute value of the negative Floating Amount in addition to the Fixed Amount. See §6.4 of the 2006 ISDA Definitions, as amended. If you wish to acquire a swap with a 0% floor, this may increase the price of your swap as reflected in a higher Fixed Rate. For further information on negative interest rates, including their effect on swaps and the loans they are hedging, see Negative Interest Rates at: www.wellsfargo.com/swapdisclosures.

Projections, Forecasts & Other Data

Although the information contained herein is derived from a source that WFBNA considers reliable, WFBNA does not guarantee the accuracy, reliability or completeness of this information and makes no representation or warranty, express or implied, with respect thereto. This information is provided as of the date(s) indicated, is subject to change without notice, does not constitute trading or investment advice or research, and has not been prepared in accordance with any laws or regulations designed to promote the independence of research. Historical data, past trends and past performance do not reflect or guarantee future results. Financial projections and economic forecasts are based on hypothetical assumptions about uncertain future market conditions and events and therefore should not be relied upon in connection with any asset, liability, transaction or otherwise, including any decision whether or when to invest or hedge or to acquire or dispose of any asset, liability or transaction. Projections or forecasts may not materialize, and reliance thereon could result in substantial losses. It is impossible to predict whether, when or to what extent rates, values and other economic factors will rise or fall, and there could be sharp differences between projections or forecasts and actual results. WFBNA makes no representation or warranty that actual results will conform to any projection or forecast and is not responsible for any loss or damage arising out of any reliance on or use of such information.

Applicability of Certain Regulations

WFBNA is a “swap dealer” as defined in the Commodity Exchange Act (“CEA”), and one or more transactions described in the Materials are “swaps” as defined in the CEA and regulations of the Commodity Futures Trading Commission (“CFTC”) or “security based swaps” as defined in the CEA and the Securities Exchange Act of 1934 and regulations of the U.S. Securities and Exchange Commission (“SEC”). From time to time, we may furnish you with certain information or request that you furnish us with certain information or representations or take other action we consider necessary or appropriate to comply with applicable legal or regulatory requirements, including the requirement that, in order to enter into a swap with us, you must be an Eligible Contract Participant (as defined in 17 C.F.R. §1.3(m)). Nothing herein or in the Materials constitutes legal advice or purports to be a complete statement of regulations applicable to swaps, matters which you should address with your own legal advisors. For purposes of CFTC Regulations 1.71 and 23.605, please note that the Materials are a “solicitation” of a swap and not a “research report” as defined therein. To the extent the Materials include a scenario analysis, such inclusion shall not supersede your right under CFTC Regulation 23.431(b) to request and consult in the design of a scenario analysis. Nothing in the Materials should be construed as a recommendation or opinion with respect to any swap or trading strategy involving a swap for purposes of CFTC Regulations Part 23 or the CEA. The Materials do not take into account your particular investment objectives, financial condition or needs and are not intended to serve as a basis for entering into a swap or to suggest, through opinion, recommendation, or otherwise, that you should enter into a particular swap or trading strategy involving a swap. You should consult with your own advisors for opinions on whether to enter into any swap or trading strategy involving a swap.

In certain cases, the transactions described in the Materials may be subject to regulations that have not yet been proposed, adopted in final form or become effective, and some or all of such regulations may have a direct or indirect impact on the substantive terms set forth hereunder. Accordingly, the parties acknowledge partial and/or incomplete information with respect to the requirements of such regulations, but acknowledge that to the extent any term contemplated hereunder is in violation of or subject to any current or future regulation, as amended from time to time, we reserve the right to amend the terms contemplated hereby or cease to offer the transaction described herein.

Wells Fargo as a Counterparty

Transactions described in the Materials are not bank deposits or FDIC insured, may expose you to the credit risk of WFBNA and therefore involve risk of loss to you apart from the market risk associated with the underlying rate, price or other economic measure on which the transaction is based. Financial information WFBNA is available at: https://www.wellsfargo.com/invest_relations/investor_relations

Additional Information

In addition to the information furnished above, you should not enter into any swap transaction described in the Materials without reviewing and understanding our “Disclosure of Material Information for Swaps” and accompanying documents available to you at: www.wellsfargo.com/swapdisclosures

Updating the Materials

We reserve the right to amend, supplement or replace the Materials at any time, and your use of the Materials constitutes your agreement to update the Materials with any such amendments, supplements or replacements we furnish you.

Confidentiality

The information in the Materials is confidential and may not be disclosed by you to anyone without our written consent, other than to your advisors, and judicial or other governmental authorities or regulators having jurisdiction over you (including, without limitation, federal, state or local tax authorities). Notwithstanding anything to the contrary contained in the Materials, all persons may disclose to any and all persons, without limitations of any kind, the U.S. federal, state or local tax treatment or tax structure of any transaction, any fact that may be relevant to understanding the U.S. federal, state or local tax treatment or tax structure of any transaction, and all materials of any kind (including opinions or other tax analyses) relating to such U.S. federal, state or local tax treatment or tax structure, other than the name of the parties or any other person named herein, or information that would permit identification of the parties or such other persons, and any pricing terms or nonpublic business or financial information that is unrelated to the U.S. federal, state or local tax treatment or tax structure of the transaction to the taxpayer and is not relevant to understanding the U.S. federal, state or local tax treatment or tax structure of the transaction to the taxpayer.

Limitation of Liability

In no event shall Wells Fargo be liable to you or any third party for any direct or indirect, special, incidental, or consequential damages, losses, liabilities, costs or expenses arising directly or indirectly out of or in connection with the Materials.

Wells Fargo does not provide tax advice. Any tax statement herein regarding US federal tax is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding any penalties. Any such statement herein was written to support the marketing or promotion of a transaction or matter to which the statement relates. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

If you have any questions or concerns about the disclosures presented herein, you should make those questions or concerns known immediately to Wells Fargo.

4Q19

1. Describe the firm's net capital position and its underwriting ability and willingness to underwriter bonds.

While a number of firms have a large capital base, it is far more important that such firms evidence their ability to deploy capital in the municipal market on behalf of their clients. As one of the premier U.S. domiciled banks, Wells Fargo Bank, N.A. ("WFBNA") maintains the capital strength and financial stability necessary to support the County's transactions, both in the primary and secondary markets. WFBNA is the legal entity that provides municipal securities underwriting services for Wells Fargo & Company. **As a national bank registered with the SEC as a municipal securities dealer, Wells Fargo Bank, N.A. is subject to capital definitions and standards issued by the Office of the Comptroller of the Currency, rather than net capital standards of the Securities and Exchange Commission (as are most broker-dealers).** As a result, **net capital and excess net capital calculations are not applicable.**

WFBNA is, however, subject to capital regulations prescribed by the Office of the Comptroller of the Currency ("OCC"), which is the regulatory authority for national banks. **The following table provides a summary of WFBNA's robust capital position and financial capacity.**

Capital Position of Wells Fargo Bank, N.A.				
	FY 2016	FY 2017	FY 2018	2Q 2019
Tier 1 Capital	\$132.27 Billion	\$143.34 Billion	\$142.68 Billion	\$ 146.51 Billion
Total Risk-Based Capital	145.71 Billion	156.70 Billion	155.56 Billion	159.09 Billion
Total Equity Capital	155.83 Billion	166.60 Billion	165.24 Billion	169.08 Billion
Net Capital	N/A	N/A	N/A	N/A
Excess Net Capital	N/A	N/A	N/A	N/A

Source: Call Reports for Wells Fargo Bank, N.A.

Utilizing an underwriter with a strong balance sheet and a history of using it to support its issuing clients is important in the current volatile market. This puts issuers in a position of strength, since investors know the underwriter may purchase any unsold balances, as opposed to increasing spreads. Below, we highlight select notable capital commitments made in recent years.

Select Wells Fargo Capital Commitments				
Date	Issuer	Par	Underwritten	
		(\$mm)	(\$mm)	(%)
11/14/2019	Las Vegas-McCarran Int Airport	369.05	110.00	29.81
09/12/2019	Grapevine-Colleyville ISD	53.35	8.32	15.60
05/20/2019	Hidalgo County, Texas	45.44	11.30	25.12
05/15/2019	Texas Water Development Board	200.80	11.42	5.69
04/03/2019	Florida Municipal Loan Council	16.50	13.55	82.12
03/26/2019	Arizona Transportation Board	62.47	4.13	6.51
02/13/2019	New Mexico Finance Authority	37.15	30.35	82.25
01/24/2019	Canyon ISD, Texas	92.36	15.10	16.34
01/14/2019	Cumberland County Muni Authority	19.54	1.56	7.90
12/11/2018	Washoe County, Nevada	188.23	82.20	45.80
11/04/2018	Prisma Health	586.53	28.80	4.90
10/17/2018	Cypress-Fairbanks ISD, Texas	187.26	31.05	16.60
08/08/2018	Mount St. Mary's University	40.74	7.54	18.50
08/02/2018	Killeen ISD, Texas	269.78	43.46	16.20

08/02/2018	Lamar CISD, Texas	289.26	20.00	6.91
05/03/2018	New York University	592.59	22.69	4.00
04/03/2018	Little Elm ISD, Texas	135.16	19.10	14.13
01/30/2018	Hampton Roads Trans Commission	500.00	188.34	37.67
01/11/2018	Anaheim Housing & Pub Imp	46.42	8.86	19.08
12/14/2017	Conroe ISD, Texas	174.44	50.00	28.66
11/21/2017	Commonwealth Trans Board, Virginia	483.00	117.81	24.35
11/01/2017	Guilford County, North Carolina	179.79	32.49	17.88
06/28/2017	Dixie State University, Utah	19.72	13.91	71.21
06/15/2017	St. Lucie County, Florida	46.87	30.36	62.11
04/26/2017	Port Authority of NY & NJ	554.73	16.40	2.96
03/29/2017	Union Elementary School	29.28	21.65	72.17
01/05/2017	University of Pittsburgh	512.48	17.50	3.41

Source: Wells Fargo Securities, Wells Fargo Bank N.A. Call Report.

2. Discuss your proposed transaction team which would be assigned to serve as underwriter to the County. Be specific regarding the person(s) who would have primary and/or day-to-day responsibility for directing your firm's efforts. Provide a resume for each individual assigned to the County's service including their title, address, phone, and e-mail.

The lead investment banking professional and day-to-day contact assigned to the County's future financings will **Jim Perry**, *Managing Director*, and Head of the Southern Region for Wells Fargo Public Finance. **Walker McQuage**, *Managing Director*, will lead underwriting efforts, and to support the investment banking team, **Arseni Sutton**, *Analyst*, will provide analytical and transaction support. Brief resumes for the core WFS banking and underwriting team for Baldwin County are found below.

Investment Banking Professionals

JIM PERRY, Managing Director
188 E. Capitol Street, Fl.01
Jackson, MS 39201

Tel: (601) 503-1053

jim.perry@wellsfargo.com

Role/Responsibilities: Lead Banker and Day-To-Day Contact for the County.

Mr. Perry joined Wells Fargo in July 2018, is the Head of the Southern Region for the Firm's Public Finance Department and is co-head of the National Municipal Structured Finance group. He is based in Jackson, Mississippi. With more than 11 years of public finance experience, Mr. Perry has led the structuring and execution of tax-exempt, taxable, Build America, and tax credit bond senior managed financings for issuers across the Southern United States and has been a lead banker for more than \$15 billion of senior managed municipal financings.

Mr. Perry has been the lead banker for numerous financings for state and local government entities in Alabama and throughout the United States. At his previous firm, Mr. Perry was the lead banker for numerous senior managed financings in the State of Alabama, for issuers such as the Alabama Public School and College Authority, the Alabama Incentives Financing Authority, the Alabama Economic Damages Settlement Authority, the Alabama Federal Aid Highway Finance Authority, and the Decatur City (AL) Board of Education. He has led the rating agency and investor education processes for numerous new or restructured credits including the Texas Department of

Transportation's Grand Parkway Transportation Corporation, the State of Mississippi's inaugural leveraging of gaming tax revenues, financings for the Alabama Department of Transportation, the Virginia Port Authority, the Louisiana Citizens Property Insurance Corporation, the first leveraging of Gulf of Mexico Energy Security Act revenues (for Cameron Parish, Louisiana), and the only executed leveraging of settlement revenues from the 2010 Deepwater Horizon/BP oil spill (for the State of Alabama).

His project finance experience includes the first privately financed high speed U.S. passenger rail project in more than 100 years; a midstream oil transportation, terminal and storage project; and a commercial and demolition waste landfill.

Prior to joining Wells Fargo, Mr. Perry was the Head of the Southern Region and co-head of the P3 Group for Morgan Stanley. He served as Deputy Chief of Staff and Policy Director for former Mississippi Governor Haley Barbour, where his responsibilities included development of the State budget and issues related to the State Bond Commission. He is the former Legislative Director for then-Congressman Roger Wicker.

Mr. Perry received a bachelor's degree in economics and government from the University of Virginia. He holds FINRA Series 7, 24, 53, 63, and 79 securities registrations.

ARSENI SUTTON, Analyst
30 Hudson Yards, 62nd Floor
New York, NY 10001

Tel: (212) 214-2861

arseni.sutton@wellsfargo.com

Role/Responsibilities: Quantitative and transactional support related to the County's bond financings.

Mr. Sutton joined Wells Fargo in 2019. As part of the Southern Region, Arseni provides transactional and quantitative support as well as financial and market analysis. Mr. Sutton graduated with a Bachelor of Science in Business Administration from the University of California, Berkeley and maintains Series 52 and 63 securities registrations.

Underwriting, Sales & Trading Professional

WALKER MCQUAGE, Managing Director
550 South Tryon Street, 4th Floor
Charlotte, NC 28202

Tel: (704) 410-4082

walker.mcquage@wellsfargo.com

Role/Responsibilities: Head of the underwriting desk and will serve as lead underwriter on any of the Authority's transactions.

Mr. McQuage is responsible for and coordinates the marketing, distribution, and underwriting of all fixed rate municipal transactions managed by Wells Fargo institutional trading, sales, and underwriting operations. Mr. McQuage has over 20 years of underwriting experience (16 years of which at Wells Fargo) with general obligation, revenue, taxable, and corporate municipals, as well as prior experience in the financial futures markets. He specializes in Southeastern credits, and since 2009, he has worked on over 3,300 transactions totaling almost \$600 billion in par amount. Mr. McQuage holds a Bachelor of Science degree in Finance from the University of South Carolina, and holds FINRA Series 3, 7, 53, and 63 licenses.

3. Provide number of full-time employees dedicated to municipal bond sales

Wells Fargo's Public Finance Department is part of the Municipal Products Group and operates in 17 offices nationwide. In total, the Firm's Municipal Products Group employs 155 individuals¹, including:

- **Investment Banking.** Comprising 92 individuals working with local and state governments, transportation, housing, public power, water, student loan, healthcare, education and not-for-profit organizations. In 2018, WFS was ranked 7th on negotiated transactions, senior managing 182 issues totaling approximately \$10.9 billion of par amount². In addition to our dedicated public power and Alabama-region bankers, our investment banking team also includes:
 - *Credit Strategies and Investor Marketing:* Consists of six professionals across banking and trading that assist in the development, management, and ongoing analysis of issuer credits and investor marketing.
 - *Quantitative Analytics:* Includes five professionals specializing in quantitative and market analytics.
- **Underwriting / Institutional Sales¹.** Comprising 15 professionals specializing in the marketing and underwriting of primary bond issues in the long-term and short-term markets. Wells Fargo's institutional investor base includes the 250 key national buyers of municipal securities among the Firm's 425-institutional account base as well as a significant number of Tier-2 and Tier-3 institutional accounts.
- **Middle Market and Retail Sales¹.** Comprising 200 professionals who specialize in middle market buyers, covering over 10,000 accounts out of 17 offices nationally. Covering retail clients, Wells Fargo's Advisors has 13,968 advisors who have direct access to retail buyers across the nation. In Alabama, there are 89 advisors in 11 offices across the State.

Trading¹. Comprising 18 traders who specialize in the trading of long and short-term securities. This group is also a very active participant in the secondary market and maintains substantial positions in various types of municipal bonds.

Retail Sales. Wells Fargo ranks as the one of the largest national retail brokerage networks in the country, managing over 7.1 million active accounts with nearly \$1.5 trillion in total client assets³.

Wells Fargo's National Retail Presence											
State	Total Offices	Team Mem	State	Total Offices	Team Mem	State	Total Offices	Team Mem	State	Total Offices	Team Mem
AK	1	10	FL	40	568	LA	11	79	NC	41	333
AL	11	89	GA	20	167	MA	12	172	ND	3	9
AR	12	71	HI	1	29	MD	9	131	NE	7	47
AZ	13	151	IA	11	55	ME	3	26	NH	3	26
CA	58	1,022	ID	4	30	MI	25	236	NJ	20	395
CO	13	142	IL	33	414	MN	5	67	NM	4	33
CT	9	149	IN	10	128	MO	15	193	NV	5	58
DC	2	58	KS	12	93	MS	8	44	NY	35	676
DE	2	26	KY	7	72	MT	2	10	OH	30	284
									UT	5	73
										Total	703 8,065

Source: Wells Fargo internal data, as of December 31, 2018.

¹ WFBNA MPG as of June 1, 2019

² Thomson Reuters SDC, as of December 31, 2018

³ Wells Fargo Internal Data, as of December 31, 2018

4. Does your firm maintain a public finance office or a retail and/or brokerage office in the State of Alabama? If so, please provide the address and phone number for this office and primary contact person.

Wells Fargo maintains a strong retail presence in the State of Alabama. Although Wells Fargo does not maintain a public finance office in the State, our team includes bankers specifically dedicated to covering Alabama issuers. The primary contact for person for the State, along with our presence within it, is detailed in the tables below.

Wells Fargo's Alabama Presence	
Branch	Number of Locations
Banks	114
Mortgage	2
Wells Fargo Advisors	11
Total	127

Source: Wells Fargo internal data, as of December 31, 2018

Wells Fargo's Alabama Public Finance Contact

Jim Perry
*Managing Director, Head of Southern Region
 & Co-Head of National Structured Finance*
 188 E. Capitol Street, Fl. 01
 Jackson, MS 39201
 Tel: (601) 503-1053

5. Provide no more than three case studies which describe the experience of your assigned professionals with general obligation and public building authority transactions.

Below, we have provided three case studies of innovative structuring and/or marketing techniques that WFS has used to enhance the marketability of long-term obligations. These case studies include a general obligation financing, for which the lead banker (Mr. Perry) is the banker who would work on a Baldwin County, financing; an example of a recent senior managed county GO financing of a size similar to the one contemplated by Baldwin County (executed by the group managed by Mr. Perry); and a public building authority financing (which demonstrates our underwriters' and sales force's familiarity with such credits).

Case Study No. 1

\$52,720,000

City of Conroe, Texas

Limited Tax Refunding Bonds, Series 2019

Certificates of Obligation, Series 2019A

Certificates of Obligation, Series 2019B

Sale Date: November 14, 2019 | Role: Senior Manager

On November 14, 2019, WFS served as Senior Managing Underwriter for the City of Conroe's issuance of its \$9.1 million Series 2019 Limited Tax Refunding Bonds, its \$23.7 million Series 2019A Certificates of Obligation, and its \$19.9 million Series 2019B Certificates of Obligation. The Series 2019 Bonds were a general obligation of the City, and the proceeds were used to refund a portion of the City's outstanding debt. The 2019A Certificates were secured by a dual-pledge of ad valorem taxes and excess revenues from the City's water and sewer system. The proceeds for this issue were used to fund numerous the construction and rehabilitation of roadways, railroad crossings, traffic signals, and public buildings in the City. The 2019B Certificates were likewise backed by a dual-pledge of ad valorem taxes and excess water and sewer revenues, and its proceeds were used for the improvements and renovations of the City's water and sewer system.

During the week of the City's pricing, trade talks continued to dominate headlines and influence investor sentiment. In Congressional testimony, Fed Chair Powell flagged slowing global growth and trade disputes as "ongoing risks," but reiterated his confidence in the Fed's monetary policy

after rates were cut 75bps during the calendar year. Municipal supply saw \$12.6 billion priced during the week and was generally well-received by investors, despite heavy sector issuance.

The Series 2019 Bonds were structured as serials out 12 years, while the Series 2019A and 2019B Certificates were both structured as serials out 20 years. All three series were subject to a 10-year par call. At the start of the order period, the Series 2019 Bonds opened at +21bps MMD in 5year, +34bps MMD in 10year, and +38bps MMD in 12year. Similarly, the Series 2019A and 2019B Certificates opened at +21bps MMD in 5year and +34bps MMD in 10year, but extended to +90bps MMD in 20year. At the end of the order period, the Series 2019, 2019A, and 2019B issuances saw respective subscription levels of 1.5x, 5.0x, and 3.5x. A strong response by investors on the long-dated maturities drove spreads tighter by 1-7bps tighter across 9year through 19year for all three issues. Spreads ended at: +21bps MMD in 5year, +32bps MMD in 10year, +35bps MMD in 12year, and +90bps MMD in 20year. The book for Series 2019, 2019A, and 2019B issuances ended 2.0x, 5.0x, and 3.6x subscribed, respectively, with bond funds and bank portfolios representing the largest blocs of investors.

Case Study No. 2

\$235,840,000

State of Mississippi

Taxable General Obligation Bonds, Series 2019C

Sale Date: September 26, 2019 | Role: Senior Manager

On September 26, 2019, WFS served as Senior Managing Underwriter for the State of Mississippi's issuance of its \$235.8 million Series 2019C Taxable General Obligation Bonds. The bonds were secured by the full faith and credit of the State, and the proceeds were used for various capital improvements across the State, as well as to finance economic development projects.

At the time of pricing, politics and turmoil in Washington dominated market sentiment, overshadowing much of the week's economic reports. House Speaker Pelosi announced a formal impeachment inquiry of President Trump after a whistleblower complaint regarding his phone call with the Ukrainian President earlier this summer. Investors took a flight to safety and sent both risk assets and treasury yields lower week-over-week. Municipal supply this week totaled \$8.6 billion and was easily digested regardless of market volatility.

This taxable GO transaction was structured as serials out 13 years and subject to a 10-year par call. The transaction launched on the tighter side of guidance in the 3year through 13year, leaving 1-2years unchanged. Final spreads were: +37.5bps UST in 5year, +57.5 UST in 10year, and +90bps UST in 13year for a premium coupon. The overall book ended 1.9x subscribed with insurance companies, bonds funds, and bank portfolios being the largest investors.

Case Study No. 3

\$39,205,000

Idaho State Building Authority

State Building Refunding Revenue Bonds, Series 2019A

Sale Date: November 20, 2019 | Role: Senior Manager

Wells Fargo was appointed in 2017 as sole senior manager to assist the State of Idaho in issuing \$90 million of taxable bonds to finance the construction of two next generation technology facilities known as the Idaho Cybercore Integration Center and the Idaho Collaborative Computing Center. The facilities were financed through the issuance of taxable lease revenue bonds. The

State will lease the facilities to the State Board of Education who will sublease the facilities to the Idaho National Laboratories. A Collaboration Agreement, signed between Idaho National Laboratories and the State Board of Education, will allow Idaho's public colleges and universities to utilize these facilities to further research in the area of cyber security control systems including advanced high performance computation and modeling/simulation. Wells Fargo priced the bonds in April, 2018 and a ribbon-cutting occurred in Sept. 2019. Following the successful pricing of the Series 2018 Bonds, the Building Authority awarded Wells Fargo a sole senior managed appointment to finance a \$35 million new Skilled Nursing Facility that the State Legislature had mandated be built to replace an aging facility in Blackfoot, ID. While working on the financing of the Nursing Facility, Wells Fargo introduced a refunding opportunity to the Building Authority for an outstanding series of variable rate bonds that had been issued previously for Prison Facilities that were hedged with an interest rate swap. Wells Fargo executed a fixed rate refunding of the variable rate prison bonds simultaneously with the issue for the Skilled Nursing Facility and assisted the Authority in unwinding an associated interest rate swap that generated a combined interest rate savings upon execution. Lastly, Wells Fargo presented a taxable advance refunding opportunity to the Building Authority earlier this year and was awarded sole senior manager (the Firm's third consecutive senior managed appointment) to advance refund approximately \$40mm outstanding lease revenue bonds that had been issued previously to finance a State office building in downtown Boise, ID. The Authority welcomed the opportunity to not only generate savings from the taxable refunding but also to convert the bonds to taxable securities to eliminate certain private use issues that were causing problems with the ability to lease existing space in the facility to non-exempt businesses. The financing priced in November 2019 and generated over \$8.2 million of cash flow savings, or nearly 9% PV Savings.

6. Discuss any pending or threatened investigations or litigation by any private or public entity or any lapse or other deficiency in insurance coverage or professional licensure which may impact your firm's ability to serve as underwriter.

Wells Fargo Bank N.A. ("WFBNA") is a subsidiary of Wells Fargo & Company ("WFC"), a corporation organized under the laws of Delaware. WFC's principal office is located in San Francisco, California. As with any large diversified financial services company of its size in the highly-regulated banking and securities field, Wells Fargo Bank, N.A. and Wells Fargo & Company are subject to receiving inquiries and subpoenas from regulators and law enforcement from time to time, as well as being subject to civil litigation. Wells Fargo responds regularly to inquiries and investigations by governmental entities and, as a highly regulated diversified financial institution has in the past entered into settlements of some of those investigations, including those specified below. Except as indicated below, none have resulted in any material restrictions on Wells Fargo's ability to operate its businesses, and none are or have been material to the operation of the businesses.

Wells Fargo Bank, NA Municipal Products Group ("WFBNA MPG"), the party responding to this RFP, is a separately identifiable department of WFBNA and is registered with the Securities and Exchange Commission as a municipal securities dealer, authorized to provide underwriting and investment banking services in connection with municipal securities.

Below is a summary of (i) certain resolved regulatory matters related to WFBNA MPG and WFBNA that are related to municipal securities and (ii) certain matters relating to actions involving municipal entities.

During the fourth quarter of 2011, WFBNA entered into a settlement with various regulators regarding municipal derivatives contracts. Please see the Legal Actions section of WFC's 2011 Annual Report for additional information regarding the municipal derivatives bid practices settlement with the Office of the Comptroller of the Currency, Securities and Exchange Commission, the U.S. Internal Revenue Service, U.S. Department of Justice and a group of state Attorneys General. See press release dated December 8, 2011 at <https://www.sec.gov/litigation/litreleases/2011/lr22183.htm>.

WFBNA has paid municipal fines in connection with a small number of houses for alleged violations of local housing ordinances, some of which are characterized as misdemeanors.

During the third quarter of 2016, WFBNA entered into settlement agreements with the City of Los Angeles, the Consumer Financial Protection Bureau and the Office of the Comptroller of the Currency regarding certain sales practices. See press release dated September 8, 2016 at https://www.wellsfargo.com/about/press/2016/sales-practices-agreements_0908.content (the "2016 Settlement"). WFC entered into a consent order with the Board of Governors of the Federal Reserve System on February 2, 2018, relating to our governance oversight, and compliance and operational risk management program, which relates to prior issues including the 2016 Settlement, and such consent order placed certain limitations on WFC's growth, as described therein. See press release dated February 2, 2018 at <https://newsroom.wf.com/press-release/corporate-and-financial/wells-fargo-commits-satisfying-consent-order-federal>

Following the announcement of the 2016 Settlement discussed above, certain state and local governmental bodies and municipal entities have temporarily suspended or removed WFBNA MPG as underwriter from certain of such issuers' municipal underwritings.

On February 2, 2016, WFBNA MPG entered into an agreement with the SEC resulting from a self-report submitted to the SEC by WFBNA MPG pursuant to the SEC's Municipalities Continuing Disclosure Cooperation Initiative ("MCDC") (see <https://www.sec.gov/litigation/admin/2016/33-10028.pdf>).

On December 26, 2018, WFC was served with a Complaint for a qui tam action pending in San Francisco County, California. State of California, ex rel., Edelweiss Fund, LLC v. JP Morgan Chase & Co., et al., Case No. CGC-14-540777. The California qui tam action alleges Wells Fargo and twelve other remarketing agents conspired to inflate the interest rates on certain tax-exempt bonds issued by public entities called variable rate demand obligations issued by the State of California or its political subdivisions. On February 20, 2019, the City of Philadelphia filed a putative class action against WFBNA and related entities, along with six other banks and their related entities. The City of Philadelphia v. Bank of America Corporation, et al., No. 1:19-cv-01608, U.S.D.C., S.D.N.Y. The plaintiff alleges that the defendants conspired to inflate the interest rates on certain tax-exempt bonds issued by public entities called variable rate demand obligations from February 1, 2008 to June 30, 2016. On March 25, 2019, the City of Baltimore filed a similar putative class action complaint against WFBNA and related entities, along with nine other banks and related entities. Mayor and City Council of Baltimore v. Bank of America Corporation, et al., No. 1:19-cv-02667, U.S.D.C., S.D.N.Y. The City of Baltimore's allegations are substantially similar to the allegations in the City of Philadelphia case. The Philadelphia and Baltimore cases were consolidated and an amended consolidated complaint was filed on May 31, 2019, naming WFBNA and related entities, along with seven other banks and related entities. On or about August 21, 2019, another qui tam action was unsealed in Mercer County, New Jersey. State of New Jersey, ex rel., Edelweiss Fund, LLC v. JP Morgan Chase & Co., et al., Docket No. L.

885-15. The New Jersey qui tam action names Wells Fargo & Co. and four other financial institutions as defendants. The allegations in the New Jersey qui tam action are substantially similar to the California qui tam action.

WFBNA was named as a defendant in an antitrust case filed in the U.S. District Court for the Middle District of Louisiana on October 21, 2019, by the City of Baton Rouge/East Baton Rouge Parish, Consolidated Parish Employees Retirement System and Police Guaranty Fund. No. 3:19-cv-00725. The plaintiffs allege that WFBNA and 11 other defendants colluded to keep the bid-offer spreads artificially wide in secondary market trading for Government Sponsored Enterprise bonds, including those issued by Fannie Mae, Freddie Mac, and Federal Home Loan Banks.

Please be further advised of the following:

On February 2, 2018, WFC entered into a consent order with the Board of Governors of the Federal Reserve System, relating to governance oversight and the company's compliance and operational risk management program. This consent order does not relate to new matters, but rather to prior issues including the 2016 sales practices matter. For additional information, see the press release at <https://newsroom.wf.com/press-release/corporate-and-financial/wells-fargo-commits-satisfying-consent-order-federal>

In April 2018, WFC entered into consent orders with the Consumer Financial Protection Bureau and the Office of the Comptroller of the Currency that address matters relating to WFC's compliance risk management program and issues regarding certain interest rate-lock extensions on home mortgages and collateral protection insurance placed on certain auto loans. For additional information, see the press release at <https://newsroom.wf.com/press-release/corporate-and-financial/wells-fargo-enters-consent-orders-occ-and-cfpb>

In August 2018, WFC announced that it entered into an agreement with the U.S. Department of Justice (DOJ) to resolve a previously disclosed investigation by the DOJ regarding claims related to certain 2005–07 residential mortgage-backed securities activities. For additional information, see the press release at <https://newsroom.wf.com/press-release/consumer-lending/wells-fargo-reaches-agreement-doj-resolve-legacy-rmbs-claims>

On December 28, 2018, WFC entered into a settlement with all 50 state Attorneys General and the District of Columbia regarding previously disclosed retail sales practices, auto collateral protection insurance ("CPI") and Guaranteed Asset/Auto Protection ("GAP"), and mortgage interest rate lock matters. See press release dated December 28, 2018 at <https://newsroom.wf.com/press-release/community-banking-and-small-business/wells-fargo-reaches-agreement-state-attorneys>.

In addition, hyperlinks to Wells Fargo & Company's public filings are provided below for disclosure regarding other litigation and regulatory matters related to Wells Fargo & Company and its subsidiaries.

Copies of the (i) Legal Proceedings sections from Wells Fargo & Company recent public filings and (ii) certain of Wells Fargo & Company's regulatory filings are available via the internet link below:

https://www.wellsfargo.com/invest_relations/filings

Wells Fargo & Company Annual Report Link:

https://www.wellsfargo.com/invest_relations/annual

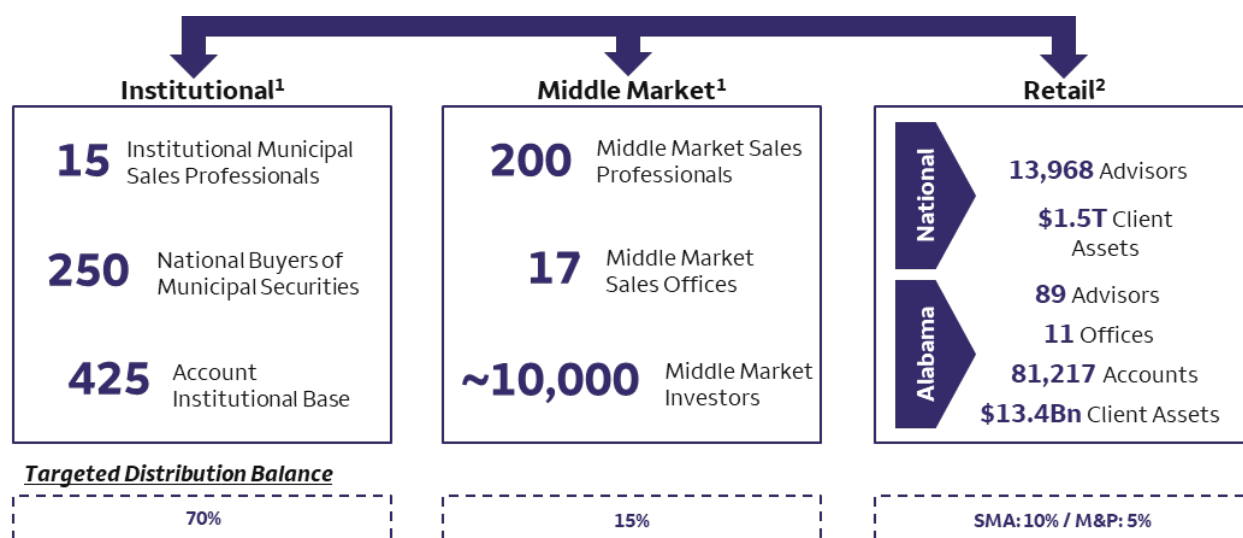
7. Has any municipal finance professional or associated person within your firm made or directed any political contributions, provided things of value, or provided financial advice to the extent it would be disqualified, under current laws, rules, and regulations, from acting as underwriter of the bonds?

To the best of our knowledge and based on reasonable due diligence, we are not aware that any municipal finance professional or associated person within WFBNA MPG made or directed any political contributions, provided things of value, or provided financial advice to the extent WFBNA MPG would be disqualified, under current laws, rules, and regulations, from acting as underwriter of the bonds. Gifts, entertainment and political contributions provided to any Baldwin County employees are subject to the compliance pre-clearance process (i.e., Global Pre-clearance System) of WFBNA MPG which is administered to the best of our knowledge in accordance with applicable laws and regulations.

8. Please provide any other information the County should consider when assessing your firm's ability to serve as underwriter.

As it relates to municipal underwritings, Wells Fargo and its predecessors have been underwriting municipal bonds for over 40 years. Through acquisitions and a focused dedication to the municipal market, the Firm has grown in size and stature to our current position as one of the most active underwriters of municipal bonds in the United States. Since the start of 2013, Wells Fargo has served as senior or sole managing underwriter on 1,834 bond issues nationally with an aggregate par amount of more than \$143.8 billion.³

Distribution Capabilities. Wells Fargo will utilize its diverse distribution network to distribute the County's bond offerings to three different tax-exempt (and taxable, if applicable) investor groups: institutional, middle market, and retail.



Sources: Wells Fargo Internal Database, December 31, 2018. ¹Services provided by WFS. ²Services provided by WFA.

Among Wells Fargo's differentiating factors is an ability to reach middle market investors. Our middle-market distribution channel represents a sales force of approximately 200 professionals located around the country, which cover around 10,000 "Tier 2" and "Tier 3" investors (e.g., small

³ Thomson Reuters SDC. Represents negotiated and competitive issues; January 1, 2013 – November 20, 2019 (true economics to book runner).

corporations, insurance companies, trust departments, specialty funds, regional banks, and local money managers). Many of these sales professionals work in the same locations as our institutional and syndicate teams, leading to effective collaboration. Additionally, Will Illingworth, Vice President in Municipal Syndicate, has a special focus on connecting with middle market sales professionals on all Wells Fargo transactions.

These accounts are less price-sensitive than the typical institutional investors due to their smaller size and their general “buy-and-hold” nature. More importantly, these accounts are generally not covered by all investment banks as Wells Fargo has grown these relationships from its legacy regional banking coverage; thus, many of these relationships are considered exclusive to Wells Fargo. Additionally, our Firm has a three-person middle market specialist team on the trading desk that is dedicated to providing liquidity to these buyers. This coverage gives these investors the confidence to participate in transactions where Wells Fargo is serving as a senior manager because they trust that they will be allocated bonds after doing their credit work and that there will be a secondary market for the bonds after the sale, if needed.

Our focus on this market enables us to secure priority orders from these accounts, which are often overlooked or not covered by most underwriters. As a Senior Manager, we will be able to best utilize this distribution channel on behalf of the County. As noted in the nearby graphic, we have been able to bring new investors to credits for which we senior managed, as we did for Birdville ISD, UMBA, and Carnegie Mellon.

Middle Markets	Who Are They?	Why Do They Matter?			
	Corporations, insurance companies, trust departments, specialty funds, local money managers, non-profits and governments	<ul style="list-style-type: none"> Less price sensitive vs. institutional Buy-and-hold strategy Higher interest in the 11-20 year range relative to institutional and retail investors Diversifies investor base 	Client	Deal	# New Investors
			Birdville ISD	2019	1
			UMBA	2019-1	30
			Carnegie Mellon	2019A	16

Source: Wells Fargo Internal Database, December 31, 2018. Wells Fargo Senior Managed Transactions

The table below highlights select transactions on which Wells Fargo served as co-manager, yet secured priority orders and allotments, increasing demand for our clients' bonds, which further demonstrates our strength in reaching investors that are not covered by other underwriters.

Sale Date	Issuer	Par Amt*		Orders (\$000)			Allots (\$000s)
		(\$000s)	Liability	Priority	Total	Orders	
9/10/2019	Mississippi Home Corporation	65,325	15.00%	5,000	47,130	72.15%	1,820
8/22/2019	City of Houston	493,315	16.00%	15,000	167,680	33.99%	21,410
8/22/2019	City of Charlotte	58,750	50.00%	10,000	42,230	71.88%	8,300
8/12/2019	City of Odessa	81,000	20.00%	15,300	32,770	40.46%	1,220
7/24/2019	Vermont Edu. and Health Buildings Financing Agency	49,840	25.00%	35,680	35,705	71.64%	3,600
7/10/2019	New York City Municipal Water Finance Authority	450,000	3.00%	10,000	55,880	12.42%	2,130
7/10/2019	New Caney Independent School District	59,230	25.00%	8,000	23,000	38.83%	2,250
6/26/2019	North Carolina Medical Care Commission	306,985	7.50%	8,350	33,350	10.86%	4,500
5/15/2019	Allegheny County Hospital Development Authority	726,650	10.00%	6,600	98,050	13.49%	595
4/24/2019	Connecticut Housing Finance Authority	86,995	2.00%	5,000	23,095	26.55%	10
3/27/2019	State of Oregon	56,235	5.00%	21,740	56,395	100.28%	4,650
3/06/2019	State of Oregon	100,610	5.00%	16,770	37,190	36.96%	1,500
2/13/2019	State of Oregon	466,355	2.50%	20,000	20,350	4.36%	3,150
1/23/2019	Lake Travis Independent School District	92,705	15.00%	6,720	22,950	24.76%	6,720
1/17/2019	Salado Independent School District	46,180	20.00%	7,990	18,390	39.82%	7,890
1/15/2019	Birdville Independent School District	157,635	17.50%	10,400	42,765	27.13%	8,770